



## **Task Force for Business and Stability Operations**

### *Enabling Security through Economic Opportunity*

The Task Force for Business and Stability Operations was formed by the U.S. Department of Defense in 2006 to leverage American and international economic power as a strategic tool for promoting economic stabilization. Since then, the Task Force's mission has been to reduce violence, enhance stability, and restore economic normalcy in areas where unrest and insurgency have created a synchronous downward spiral of economic hardship and violence. The Task Force does this by developing economic opportunities through a range of efforts, including the encouragement of investment by U.S. and Western businesses, assisting industrial development, encouraging banking and financial system development, agricultural revitalization, and the economically and environmentally responsible development of a country's natural resources. The Task Force initiates every project with the assumption that the absence of a viable economic base is one of the primary factors that has historically led to state failure.

### **TFBSO Accomplishments and Initiatives in Afghanistan**

#### **Afghan First**

Through the Afghan First program, TFBSO connects Afghan companies with U.S. government clients in Afghanistan, improves procurement management and accounting systems and ensures emergent Afghan contractors meet necessary internationally accepted business standards. In particular, the Task Force Afghan First Program has:

- Established the only common U.S. Government/NATO-wide approved definition of an Afghanistan firm — harmonizing 12 different standards — enabling accurate host nation tabulations.
- Created Afghanfirst.org — the only tri-lingual site listing every open solicitation from the international community out for bid. This site also contains more requests for proposals for the Afghan area of responsibility than all other sites combined.
- Established financial traceability for over \$10 billion in-theater.
- Established a comprehensive intra-government database detailing over \$24.8 billion in spending since April 2010.
- Eliminated the Federal Procurement Data System manual reporting through new regulation created with the Office of Management and Budget, eradicating hours of non value added work from every contingency contracting officer's day (= 1 Full Time Equivalent per Regional Contracting Command).
- Introduced comprehensive past performance rating system for all U.S. Government/NATO vendors.
- Deployed dedicated entitlement, disbursement and obligation support teams to enable electronic data exchange, dramatically reducing reporting workload in Regional Contracting Centers.
- Enabled new streamlined EFT vendor registration process.



- Built Host Nation Wealth effect tracker that aims to minimize non-equitable distribution of HN dollars.
- Implementing Combined Joint Intel Exercise (CJ2X) vendor process, since May 2010, vetting 1700+ vendors and disqualifying 280+ vendors.

### **Agricultural Development**

TFBSO works with the Norman Borlaug Institute of International Agriculture and other partners to help revitalize the Afghan agriculture sector by improving farmer outputs, filling gaps in the agribusiness processing chain, and driving demand for agriculture sector jobs. The TFBSO Agricultural Development Program:

- Successfully executed more than 200 in-field missions for data gathering, assessments and consultations.
- Broke ground on construction of a three-story state-of-the-art building to host over 1,800 students and seven agriculture departments at Nangarhar University in 2010. Currently, TFBSO is in the planning stages for a similar facility for Herat University Agricultural School.
- Assisted with reopening the Bost cotton gin in Helmand Province, creating jobs for hundreds of Afghan workers. The team has also initiated specific projects in the region, including packing houses for produce grading and marketing, a cold storage distribution center and vehicle maintenance and conversion facilities. The team is also supporting efforts to improve the wheat processing supply chain, the marble industry and other local initiatives, such as solar power.
- Completed construction and training of two female owned and organized cooperatives in Herat for production, marketing and distribution of canned and processed agricultural products (jams, jellies, pastes).
- Focuses on strengthening the production, agribusiness, processing, livestock and crop and horticulture sub-sectors of the agriculture industrial sector throughout Afghanistan.
- Advises local and regional commands on agriculture development, diversification, and revitalization strategies including cold storage needs, irrigation, and wheat and vegetable production.
- Advises local agribusinesses on quality assessment and control, food safety, processing efficiency, and linkages to local growers associations and cooperatives.

### **Banking and Finance**

TFBSO strives to create a robust and stable banking sector that will modernize Afghanistan's financial services by working with both Afghan and international partners to further encourage foreign investment and Afghan economic growth by creating a viable, 21<sup>st</sup> century banking system. Through combined efforts, the TFBSO Banking and Finance Program has:

- Helped nine Afghan banks introduce electronic funds transfer services to their customers. There are now more than 200 EFT-capable bank branches operating across the country.
- Created the Electronic Funds Transfer (EFT) Assistance Center to support all locations throughout Afghanistan in the resolution of EFT payments to Afghan vendors from U.S. government contracts across all stakeholders in the procure-to-pay process. The center has worked with more than 500 vendors, solved over 400 cases (valued at more than \$61 million), and recovered close to \$10 million in incorrect payments.
- Helped coordinate Citibank's correspondent relationship agreement with Afghanistan International Bank-- the first Afghan private bank to hold this distinction.
- Completed first successful pilot use of a government purchase card to pay an Afghan vendor through a local Afghan bank for a U.S. government contract.



- Helped maintain stability within Afghan banking sector by working with international partners and Kabul Bank during their liquidity crisis.

### **Business Development**

TFBSO works with local businesses and leaders to reestablish international, intra-country, and regional demand and supply chains for goods and services. In Business Development, TFBSO has:

- Hosted numerous major international corporations and investors in Afghanistan, including Google, YouTube, Case New Holland, Citibank, Hyatt Hotels, IBM, JP Morgan, Sweet Dried Fruit, Kate Spade and Morgan Stanley.

### **Energy**

TFBSO works in partnership with the Afghan government, the Afghan private sector, and the U.S. government interagency to provide the Afghan population access to affordable electricity and fuel and accelerate the development of the hydrocarbon sector in Afghanistan to increase domestic oil and gas production. In particular, the TFBSO Energy Program:

- Worked with the Afghan Ministry of Mines to rehabilitate and return four oil wells to production in northern Afghanistan. These oil fields will create the necessary revenue for the government of Afghanistan, and assure international oil companies have confidence that they can safely produce and sell crude oil in Afghanistan.
- Collaborated with the Afghan Ministry of Rural Rehabilitation and Development to restore the Tira Koh micro-hydroelectric power system in Parwan, connecting it to a standardized, stable micro grid with the capacity to integrate with other grids. TFBSO is now rehabilitating nearby Shah Delir micro-hydroelectric system to meet the same standards and capacity. The Shah Delir project includes the construction and installation of a load balancing and power management system that connects Shah Delir with the Tira Koh system, creating the first interconnected mini-grid from two micro-hydro systems.
- Providing direct support to the Afghan Ministry of Mines' major international oil tender of blocks in the northwest Amu Darya basin as a result of the success of the Angot well rehabilitation. The Amu Darya basin holds between 70-80 million barrels in reserves, and represents a significant long-term revenue stream for the Afghan government. The tender award is scheduled for September 2011.
- Supporting the Ministry of Mines in managing the rehabilitation of the Northern Fertilizer and Power Plant in Mazar-e-Sharif. This rehabilitation will not only enable a significant increase in power available to the city and the Northeast Power System, but will serve as a proven business model for independent power providers to review the successful purchase and sale of gas and power, respectively, and encourage greater private investment in natural gas power generation to increase the supply of energy throughout the country.
- Developing a commercially viable operational model based on "cost of use" tariffs, accurate meters, technical standards, and collections for maintenance and system sustainability to enable successful installation and interconnection of micro-hydro systems in Afghanistan.

### **Herat Regional Operations**

In the western province of Herat, TFBSO has worked with government officials and local private sector business leaders to formulate a provincial economic development strategy, drawing on Herat's strategic economic advantages and emerging markets within the region. The Task Force has focused on applying this development strategy by initiating projects in the agricultural and information technology sectors,



both of which are institutional strengths of Herat's local universities and Herat's economy. Additionally, the Herat Regional Operations Program:

- Hosted IBM executives for visits to a variety of commercial, government and academic institutions in Kabul and Herat. This was the first official visit by IBM to Afghanistan in more than 20 years. IBM has entered into a partnership with Herat University and made available all of the benefits of its Academic Initiative to Herat University and is working to expand the initiative to universities in Kabul.
- Welcomed Google and YouTube executives — from eight different global cities — in Afghanistan to discuss ways that Afghanistan government agencies, academic institutions and private IT companies can benefit from the internet's international reach. Through partnerships with IBM and Google, the Task Force established the first IT Incubator program in May 2011. The Herat IT Incubator Program, or HITIP, currently provides business development advice and backend support to 6 IT services startups.
- Plans to purchase equipment for a quality control laboratory, which will increase the quality and market value of locally produced wheat, saffron and other commodities through professional laboratory evaluation and research. The quality control labs will boost the quality of locally produced wheat, increasing public health and economic benefit to farmers. These labs will also increase the capacity of Herat University and the Directorate of Agriculture, Irrigation and Livestock (DAIL) staff, creating a basis for expanded quality control testing in the future.

### **Indigenous Industries**

TFBSO aims to help revitalize traditional Afghan industries — such as carpet weaving, dried fruit processing and cashmere production — in order to reintroduce historically Afghan products and services to the international market. The TFBSO Indigenous Industries Program:

- Facilitated exporting Afghan raisins to the American market by helping Sweet Dried Fruit, the largest U.S. raisin importer, form a joint venture agreement with Tabasom, the first ISO 9001 certified processor in Afghanistan.
- Organized the first kosher certification of Afghan raisins, resulting in the opening of several untapped foreign markets.
- Hosted several trips to Afghanistan in order to facilitate fashion company Kate Spade's partnership with Women for Women International. Kate Spade plans to train and employ women to make products with Afghan cashmere, which will be sold in their stores around the world. TFBSO is also working with the Cashmere and Camel Hair Manufacturing Institute to identify and invite major international cashmere buyers to Afghanistan.
- Hosted adventure travel companies, media firms and potential investors at the Bamyan Investor Tourism Conference, and is working to help facilitate future media projects.
- Building a raisin processing facility in Kandahar which will process raisins in accordance with international standards and enable wholesalers to export to a broader international market at a higher price.
- Building carpet finishing facilities in Afghanistan, allowing hand-woven Afghan carpets to be finished domestically and sold as "Made in Afghanistan" in international markets. In December 2010, TFBSO hosted the first ABC Carpets and Harrods of London investor trip to Afghanistan to assess the market.
- Working with Goldman Sachs to connect graduates of its "10,000 Women" initiative to Afghan First, as well as other business opportunities for women-owned businesses.



## **Natural Resources**

TFBSO works with both United States Geological Service (USGS) and private-sector geologists to help Afghanistan realize economic sovereignty through the development of its mining and energy industries in a socially, environmentally, and fiscally responsible way. The TFBSO Natural Resources Program:

- Developed and opened a state-of-the-art data center for the Afghan Geological Survey to house over 50 years of geological data compiled from the United States, Russia, Britain, Germany and Afghanistan. The data center will also house and archive reports that will be digitized and searchable for easy use. TFBSO is currently facilitating a training program in Kabul and the United States to train AGS employees on advanced geological software and practices.
- Placed teams of international technical, legal, and financial experts into the Ministry of Mines to establish and execute a transparent bid and tender process for five of Afghanistan's most promising mineral deposits.
- Supports wide-ranging field data collection and analysis by the United States Geological Survey and private sector economic geologists for use by the Afghan Ministry of Mines. That data is being analyzed and compiled into a comprehensive report that will be released September 30, 2011, by USGS.
- Works with international investors to promote and develop interest in Afghanistan's mineral and energy resources.